

The opinion in support of the decision being entered today is not
binding precedent of the Board

Paper 134
Filed: 27 July 2007

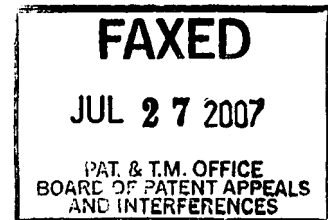
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES
(Administrative Patent Judge Richard E. Schafer)

Human Genome Sciences, Inc.,
Junior Party
(Application 10/005,842-IFW
Inventors: Jian Ni, Reiner L. Gentz,
Guo-Liang Yu and Craig A. Rosen),
v.

Immunex Corp.,
Senior Party
(Patent 6,642,358
Inventors: Charles Rauch and Henning Walczak).



Patent Interference No. 105,381 (RES)

Before McKELVEY, *Senior Administrative Patent Judge*, and SCHAFER
and MOORE, *Administrative Patent Judges*.

SCHAFER, *Administrative Patent Judge*.

Decision - Order to Show Cause

1 In a paper entered June 1, 2007, Human Genome Sciences (HGS) was
2 put under an order to show cause why this interference should be allowed to
3 continue and judgment should not be entered against it. HGS filed a
4 response. HGS failed to provide sufficient reason to continue this
5 interference and a judgment shall issue against it in a separate paper.

6 **Background**

7 This interference was declared between HGS application 10/005,842
8 and Patent 6,642,358 assigned to Immunex Corp. Immunex was designated
9 the senior party base upon an earlier accorded filing date of an Immunex
10 parent application.

11 The parties filed authorized motions. HGS filed, inter alia, a motion
12 seeking the benefit of the filing dates of certain earlier HGS applications.
13 HGS also filed a motion asserting Immunex's involved claims were
14 unpatentable over prior art. Immunex authorized motions included a motion
15 asserting HGS' involved claims were unpatentable under 35 U.S.C.
16 §§ 102(a), 102(e) and/or 103(a). HGS did not request authorization to file a
17 responsive motion to amend any of its involved application claims. 37 CFR
18 § 41.121(a)(2). Oppositions and replies were filed along with supporting
19 evidence. Witnesses were cross-examined. The parties appeared before a
20 panel of this Board and presented oral arguments on their motions.

21 In a decision on motions the panel held, inter alia, that HGS was
22 entitled to the benefit of the filing date of one of its earlier applications, but
23 not to the dates of the remainder. Paper 101, pp. 7-28. Accordingly the
24 earlier filing date, however, did not change HGS' status as the junior party.
25 HGS' motion that Immunex's claims were unpatentable was denied. Paper
26 101, pp. 57-64.

1 The decision also granted Immunex's unpatentability motion to the
2 extent HGS' involved claims were unpatentable under 35 U.S.C. § 102(e).
3 HGS requested reconsideration of that decision, urging that the decision on
4 patentability should have been deferred to the priority phase of the
5 interference. Paper 104. The request was denied. Paper 113.

6 Since HGS was a junior party applicant with all its claims
7 corresponding to the count held to be unpatentable, HGS was put under an
8 order to show cause why this interference should be allowed to continue and
9 judgment should not be entered against it. Paper 114.

10 **Opinion**

11 An interference is a proceeding to assist the Director in making a
12 determination whether an involved application should issue as a patent. *See*
13 *Karim v. Jobson*, Interference 105,376, Paper 99, p. 7 (BPAI, February 28,
14 2007), <http://www.uspto.gov/web/offices/dcom/bpai/its/105376-99.pdf>.¹

15 With respect to HGS' application, that determination has been answered in
16 the negative because all HGS' involved claims were unpatentable over prior
17 art. The question then arises whether this interference should continue for
18 the sole purpose of allowing a junior party with unpatentable claims to
19 attempt to take away senior party Immunex's patent.

20 HGS makes two principal arguments: (1) that the board is statutorily
21 obligated to decide priority of invention and (2) that HGS will prevail on
22 priority.

¹ The panel explained: "What the Examiner needs to know from an application v. patent interference is: Do the patent claims stand in the way of issuing a patent to the applicant? If the patentee 'loses' the interference, the patent claims are cancelled and the answer is 'No.' 35 U.S.C. § 135(a). If the applicant 'loses' the interference, then the answer is 'Yes.' A determination of unpatentability might, or might not, resolve a priority question. Once the Examiner gets a 'yes' or a 'no,' that is all the Examiner needs and that it is all the Director needs to carry out statutory duties to examine patent applications which became involved in an interference." *Karim, id.*

1 HGS first argument relies on the language in 35 U.S.C. § 135(a) that
2 the “Board of Patent Appeals and Interferences shall determine questions of
3 priority of the inventions and may determine questions of patentability.”

4 According to HGS, since the question of priority remains unresolved in this
5 interference, the statute mandates that the board conduct a priority
6 determination. HGS relies on *Perkins v. Kwon*, 886 F.2d 325, 12 USPQ2d
7 1308 (Fed. Cir. 1989), *Rexam Indus. Corp. v. Eastman Kodak Co.*, 182 F.3d
8 1366, 51 USPQ2d 1457 (Fed. Cir. 1999), and *Short v. Punnonen*, 82
9 USPQ2d 1382 (BPAI 2006).

10 None of these decisions support the proposition that the Board is
11 compelled to determine priority under the facts here presented. In
12 evaluating these decisions it is important to keep in mind that broad
13 statements in judicial opinions must be interpreted in light of the issue
14 before the court, and cannot uncritically be extended to significantly
15 different situations. *Perez v. Department of Justice*, 480 F.3d 1309, 1312
16 (Fed. Cir. 2007).

17 Perkins related to an interference under the 1985 interference rules
18 (37 CFR § 1.601 *et seq* (1985)). Under the practice in effect at the time,
19 both priority and patentability issues had been fully briefed by the parties
20 and testimony had been submitted and cross-examined. Thus, there was a
21 fully developed record on which to make a decision. The board decided
22 priority of invention against Perkins, the senior party patentee. It also
23 determined that junior party Kwon’s application claims were unpatentable
24 under 35 U.S.C. §§ 102(b)/103. Perkins appealed to the Federal Circuit
25 arguing that once it was determined that Kwon’s claims were unpatentable
26 under §§ 102(b)/103, any question of priority was moot and the Board
27 should not have considered priority. According to Perkins, the board should

1 have terminated the interference with a judgment against Kwon. The
2 Federal Circuit affirmed the Board's decisions on patentability and priority
3 noting that

4 decision by the Board of all issues that are fully and
5 fairly raised during the interference proceeding, whether
6 related to patentability or priority, is in full accord with
7 Congressional intent that PTO procedures be simplified
8 as well as improved

9 *Perkins*, 886 F.2d at 328, 12 USPQ2d at 1310. The court went on to state:

10 It would similarly contradict the legislative purpose if the
11 Board were to refrain from deciding priority, when the
12 result of such restraint would be the issuance or
13 preservation of a facially invalid patent.

14 *Perkins*, 886 F.2d at 328, 12 USPQ2d at 1311.

15 The actual issue decided in *Perkins* was whether the board had
16 authority to decide priority where the opponent's involved claims were held
17 to be unpatentable. Since the board had decided priority and patentability on
18 a fully developed record, the question that the § 135(a) compels the board to
19 decide priority was not before the court.

20 In any event, the Federal Circuit clarified the holding of *Perkins* and
21 other cases often cited as requiring that the Board reach a given issue in an
22 interference, in *Berman v. Housey*, 291 F.3d 1345, 1352, 63 USPQ2d 1023,
23 1028 (Fed. Cir. 2002). The Court stated:

24 Those cases . . . do not hold that all issues relating to
25 patentability that are fairly raised in an interference must
26 be addressed by the Board. Rather, those cases stand for
27 the proposition that if, in a properly declared
28 interference, an issue of priority or patentability is fairly
29 raised and fully developed on the record, then the Board
30 has the authority to consider that issue even after the
31 Board determines that one party was not entitled to its
32 claims.

1 *Berman*, 291 F.3d at 1352, 63 USPQ2d at 1028 (emphasis original).

2 Regarding *Perkins*, the court explained that *Perkins* held only that the
3 Board had the authority to decide the priority issue even after it determined
4 that Kwon's interfering claims were unpatentable. Indeed, in *Berman*, the
5 court affirmed the board's entry of judgment without reaching priority or
6 any other issues where the applicant's sole involved claim was barred by 35
7 U.S.C. § 135(b). Thus, *Perkins* must be read to authorize rather than compel
8 the Board to address priority, even if patentability is dispositive.

9 *Rexam*, like *Perkins*, involves an assertion that the priority issue
10 should not be reached because of mootness. The interference was between
11 Rexam's patent and Kodak's application. In the interference, Kodak proved
12 an earlier constructive reduction to practice and the board decided priority in
13 favor of Kodak. Rexam sought review under 35 U.S.C. § 146. During the
14 pendency of the § 146, action a decision on priority was entered against
15 Kodak's claims in a different interference with Avery. That decision
16 became final. In the § 146 action, Rexam asserted that since Kodak had lost
17 the right to the claimed subject matter in the second interference, Kodak did
18 not have the right to contest priority in the § 146 civil action. The question
19 was certified for an interlocutory appeal by the District Court. The Federal
20 Circuit answered that Kodak could continue to assert priority as to Rexam
21 notwithstanding that Kodak had lost the right to patent the subject matter.
22 The Federal Circuit noted that

23 Priority was at issue at the Board level; it can also be at
24 the district court level. Issues properly raised at the Board
25 are fair ground for litigation in the district court. The
26 public interest in ensuring that only those patents that
27 claim patentable subject matter are issued and maintained
28 is best served when a district court considering review of
29 a decision of the Board resolves all issues of priority and

1 patentability that have been raised and fully developed.
2 *Rexam*, 182 F.3d at 1370, 51 USPQ2d at 1460. Referring to *Perkins* the
3 court stated:

4 The rationale of *Perkins* similarly applies in this case,
5 where Kodak claims that it is entitled to defend its
6 priority victory over Rexam even though it has lost
7 priority to Avery. The policy behind the statute
8 encouraging adjudication of all properly-raised issues
9 accordingly entitles Kodak to defend its victory in the
10 '738 interference. Public policy also favors award of the
11 patent to the first inventor; thus, even though Kodak
12 cannot obtain a patent for the contested subject matter
13 because it is not the assignee of the first inventor, it
14 should be entitled to attempt to show that Rexam, which
15 similarly is not the assignee of the first inventor, is not
16 entitled to retain its patent. The reasoning is that, if
17 Kodak has been determined by the Board to have priority
18 over Rexam, then Avery, which has similarly been
19 determined to have priority over Kodak, must have
20 priority over Rexam, and Rexam should not retain its
21 patent.

22 *Rexam*, 182 F.3d at 1369-70, 51 USPQ2d at 1460. Thus, it was appropriate
23 for Kodak to contest and the district court to decide priority because the
24 issue was fairly raised and fully developed at the board. Additionally,
25 Rexam's patent was facially invalid since Rexam's inventor was not the first
26 inventor. As noted by the court: "Kodak has an interest in defending its
27 priority judgment in order to ensure that Rexam does not retain an invalid
28 patent on the interfering subject matter." *Rexam*, 182 F.3d at 1370, 51
29 USPQ2d at 1460-61. As in *Perkins*, the issue that the Board was compelled
30 to reach priority was not before the court since in the underlying
31 interference, the board had decided priority.

1 HGS also relies on *Short v. Punnonen*, 82 USPQ2d 1382 (BPAI
2 2006). *Short* is another case involving priority mootness. During that
3 interference, Short, the junior party patentee, informed the board that he
4 would not file a priority case. Rather, Short asserted that Punnonen's
5 involved claim was unpatentable and the interference should be "dissolved."
6 The board had previously denied Short's motion that Punnonen's claim was
7 unpatentable. Short was apparently operating under the theory that a
8 showing that senior party Punnonen's claim was unpatentable would
9 necessarily result in a termination of the interference in junior party Short's
10 favor. The APJ thought that Short might be confused about the status of the
11 interference and the effect of being the junior party:

12 Short's submission shows considerable confusion about
13 the procedural posture of the case. Rather than have
14 Short lose immediately on the basis of this confusion, it
15 is in the interest of justice to grant Short a very limited
16 reprieve. Short will have a week to address its obligation
17 to file a priority motion. If it fails to do so properly, the
18 failure will be construed as an abandonment of contest
19 under Bd.R. 127(b).

20 *Short*, 82 USPQ2d at 1384. The APJ went on to explain that "both the
21 relevant rules and the case law contradict Short's proposition that a decision
22 of unpatentability under 35 U.S.C. §§ 102 or 103 necessarily moots the
23 priority contest." *Short*, 82 USPQ2d at 1384 (emphasis added). The APJ
24 also quoted Perkins' statement that "[i]t would similarly contradict the
25 legislative purpose if the Board were to refrain from deciding priority, when
26 the result of such restraint would be the issuance or preservation of a facially
27 invalid patent." *Short*, 82 USPQ2d at 1384. Short as the junior party had to
28 put on a priority case in order to avoid an immediate judgment. Reminding
29 Short of the necessity of putting on a priority case was necessary since

1 senior party Punnonen's claims were patentable and Short's patent was
2 facially invalid. As the junior party, Short was presumptively the second
3 inventor and the Short's claims were invalid unless priority was established.²

4 The situation here is different than the situations in *Perkins*, *Rexam*
5 and *Short*. Unlike *Perkins* and *Rexam*, the priority case here is not fully
6 developed. Oppositions and replies and Immunex's evidence has yet to be
7 submitted. Additionally, Immunex is the senior party and its involved
8 claims were not shown to be unpatentable. Indeed, HGS tried but failed to
9 prove that Immunex's claims were unpatentable. Thus, Immunex's involved
10 claims are not facially invalid.

11 The situation here is also different than in *Short*. Short's claims were
12 facially invalid because Short was not the first inventor by virtue of a later
13 filing date. Immunex's patent is not facially invalid because Immunex is the
14 senior party and the presumptive first inventor.

15 HGS also argues that a patentability decision under § 102(e) is not a
16 threshold issue and HGS has not waived putting on a priority case.

17 Neither argument helps HGS. The basis of the order to show cause
18 was not that the unpatentability of HGS claims deprived HGS of standing in
19 the interference or that HGS had waived its priority case. The basis for the
20 order was, that the critical question of the interference has been answered
21 and there is no longer a sufficient reason to continue the interference and put
22 the board and the parties to the expense of presenting and evaluating
23 priority.

24 HGS argues that there is sufficient justification to continue the
25 interference. HGS' argument relies on distinguishing *Noelle v. Armitage*,
26 2003 WL 21979121 (BPAI). That decision terminated an interference

² Short did not submit a priority case and judgment on priority was entered against Short.

1 without reaching priority when the junior party's claims were held
2 unpatentable for failure to be supported by an enabling disclosure. HGS
3 states that the facts here are distinguishable from those in *Noelle*. First, HGS
4 says that the character of the enablement issue is a totally different character
5 than unpatentability under § 102(e). HGS further says that enablement
6 directly calls into question a party's right to continue in the interference.
7 Unexplained, however, is why the unpatentability of a junior party
8 applicant's claims over prior art does not equally call into question the
9 continuance of the interference. Again, the board has answered the
10 important question: can the director issue the patent to the applicant?

11 HGS also says a factor weighing against *Noelle* was that there was no
12 effort made during the interference to correct the enablement problem by
13 amending the claims or adding claims that were supported by an enabling
14 disclosure. HGS points out that it unsuccessfully tried to amend the count.
15 The relevance of this fact escapes us. As in *Noelle*, HGS made no attempt to
16 correct the asserted unpatentability by seeking to file a responsive motion to
17 amend or add claims to address the alleged unpatentability over the prior art.
18 See 37 CFR § 41.121(a)(2).

19 Lastly, HGS argues that it has made a showing of priority far beyond
20 that made by *Noelle*. In particular, HGS argues that it will prevail on
21 priority and has prematurely filed its priority evidence in support of that
22 position.

23 HGS, however, fails to explain why we should evaluate the priority
24 case of a junior party applicant without patentable interfering claims. As
25 noted above, Immunex's patent is senior to HGS'. Immunex's claims also
26 withstood HGS' unpatentability challenge during the motions phase.
27 Stopping the interference at this point before the record on priority is fully

1 developed would not leave a “facially invalid” patent. The question whether
2 the Director can issue a patent on HGS involved application has been
3 answered. While there is a strong public interest in resolving patent validity,
4 resolving the validity of an issued patent is not the goal of an interference
5 proceeding. The purpose of the interference is to resolve who between rivals
6 of the same patentable invention should obtain the patent. It has been
7 determined in this interference that HGS’ involved claims are unpatentable
8 over prior art. So the determination has been made that HGS is not entitled
9 to a patent. And senior party Immunex’s patent is not facially invalid.
10 There is no significant need to address priority.

11 We also decline to consider HGS’s prematurely filed priority
12 evidence. The premature submission³ of HGS’ priority case does not
13 provide an appropriate answer to the question raised by the Order to Show
14 Cause. The Order asks why should the board evaluate priority under the

³ HGS’ filing of its priority case was premature. The interference rules and orders established procedures by which the APJs and the board’s support staff may efficiently process interferences. An order scheduling the events in the priority phase was issued providing for Time Periods 11 to 19. The Order provides that the evidence in support of priority is not to be filed until Time Period 18. Thus, the scheduling order provided that by the end of Time Period 11:

The junior party must:

- a. File and serve a motion on priority and
- b. serve but not file evidence in support of the junior party priority case.

Paper 102, Order-Priority Times, p. 2 (emphasis original). The scheduling order also provides that the parties file supporting evidence on priority during Time Period 18:

TIME PERIOD 18: Filing the priority record

1. File original set of your exhibits and one copy of your exhibits;
2. For your priority motion, file one folder (three folders if an oral argument set each) containing a set of motion documents consisting of:
 - a. The priority motion,
 - b. Any corresponding opposition,
 - c. Any corresponding reply,
 - d. Any corresponding observations, and
 - e. Any corresponding response to the observations.
3. File any CD-ROM.

Paper 102, Order-Priority Times, p. 3. (emphasis added).

The submission of the supporting evidence at Time Period 18 minimizes storage and record keeping problems, eliminates the filing excess copies of exhibits, and facilitates entry of the exhibits into the interference record by the board’s support staff. The delayed filing of the record is patterned after the Federal Circuit’s delayed filing of the joint appendix. See Federal Circuit R. 30(a)(4).

1 facts of this case. HGS argument that it will prevail on priority begs the
2 question rather than answers it. We decline to evaluate HGS priority case to
3 determine if we should consider HGS' priority case.

4 **Decision**

5 HGS has failed to provide sufficient cause to continue this
6 interference. A judgment against HGS shall issue in a separate paper.

7

8

/Fred E. McKelvey/)	
FRED E. McKELVEY)	
Senior Administrative Patent Judge)	
)	
/Richard E. Schafer/)	BOARD OF PATENT
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